

2 December 1988

MEMORANDUM

SUBJECT: Status Report on the DCI Security Evaluation Office

- o The office was formally established 4 April 1988 to implement the President's instructions "... to establish a unit responsible for setting standards to protect embassies from penetration by foreign intelligence activity, and for monitoring conformity with those standards. The head of this unit will be named by and be responsible to the DCI . . ."
- o Due to strong support provided by the Intelligence Oversight Committees, we have both an authorization and appropriation in FY 1989 [redacted] We have met our personnel milestone of having the DCI/SEO Group Chiefs on board and being at half-strength by October 1988. We plan to fill [redacted] by April 1989. To date we have received over 200 enquiries from interested people throughout the Intelligence Community. 25X1
- o We have two senior Foreign Service Officers who have volunteered for the DCI/SEO, one has taken and cleared the full-scope polygraph, the other awaits Department permission to voluntarily take it. We have had discreet enquiries from junior members of the Diplomatic Security Service who would like to volunteer for reimbursable details to the DCI/SEO; all of them understand the requirement for the full-scope polygraph. SEO has reserved a dozen positions for State officers and could clear and detail them all into all functional areas within 90 days of the Department's endorsement of them. 25X1
- o The DCI/SEO Standards Group has completed an initial survey of national level security standards applicable to U.S. missions and is examining each agency's implementing instructions. This survey is incomplete because State has not provided all its standards and implementing instructions. But, work has begun.
- o The DCI/SEO Standards Group is moving ahead with priority on shielding issues and unclassified computer system standards; two areas where there are few standards and where State requested help.
- o The DCI/SEO Intelligence Group has made concrete steps toward building a data base to prepare for all-source, all-agency threat and vulnerability studies on U.S. missions. Work is under way on a selected list of high threat-high vulnerability posts as well as definitions of the counterintelligence and security concerns common to all posts.

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- o The DCI/SEO Inspections Group has embarked upon audits of over 135 inspection reports [redacted] and is participating in, or monitoring, three inspections by tenant organizations. State also has been asked to facilitate and to participate in four independent DCI/SEO inspections before the end of the year. We have not received a reply from State to our 12 October request for assistance in this project. These activities will provide the first independent evaluation of post compliance with current Department security standards. 25X1
- o We can continue with developing threat and vulnerability assessments and developing standards without State participation. We can audit other agency's inspection reports and participate in [redacted] inspections as part of our monitoring compliance duties even without positive support from State. It is possible that State may allow us to conduct independent inspections. We shall see. 25X1
- o The future is not clear but the DCI/SEO:
 - is capable of contributing to overseas security even without State participation,
 - o develop objective, all-source threat and vulnerability assessments,
 - o continue to develop security standards,
 - o monitor post compliance with those standards;
 - would be worthwhile continuing even if the next Secretary of State doesn't direct cooperation; and

[redacted] 25X1